

**Table T13-0196**  
**Expansion of Child and Dependent Care Tax Credit (CDCTC)**  
**Returns and Amount Reported Compared to Current Law, 2014 <sup>1</sup>**  
**Low Participation Assumption**

| Expanded Cash<br>Income Class<br>(thousands of 2013<br>dollars) <sup>2,3</sup> | Current Law           |                     |                         |                     |                        | Expanded CDCTC        |                     |                         |                     |                        | Change Due to Expansion |                   |                        |                   |                |                   |
|--|-----------------------|---------------------|-------------------------|---------------------|------------------------|-----------------------|---------------------|-------------------------|---------------------|------------------------|-------------------------|-------------------|------------------------|-------------------|----------------|-------------------|
|  | Returns               |                     | Reported Credit         |                     | Average<br>Credit (\$) | Returns               |                     | Reported Credit         |                     | Average<br>Credit (\$) | Returns                 |                   | Reported Credit        |                   | Average Credit |                   |
|  | Number<br>(thousands) | Percent Of<br>Total | Amount<br>(\$ millions) | Percent Of<br>Total |                        | Number<br>(thousands) | Percent Of<br>Total | Amount<br>(\$ millions) | Percent Of<br>Total |                        | Number<br>(thousands)   | Percent<br>Change | Amount<br>(\$millions) | Percent<br>Change | Dollars        | Percent<br>Change |
| <b>Less than 10</b>  | 0                     | 0.0                 | 0.0                     | 0.0                 | n/a                    | 71                    | 0.9                 | 114.8                   | 1.3                 | 1,606                  | 71                      | n/a               | 114.8                  | n/a               | 1,606          | n/a               |
| <b>10-20</b>   | 53                    | 0.7                 | 8.6                     | 0.2                 | 162                    | 447                   | 5.3                 | 586.0                   | 6.6                 | 1,311                  | 394                     | 746.9             | 577.4                  | 6748.6            | 1,149          | 708.7             |
| <b>20-30</b>   | 430                   | 5.8                 | 154.7                   | 3.9                 | 360                    | 704                   | 8.4                 | 924.8                   | 10.4                | 1,314                  | 274                     | 63.6              | 770.0                  | 497.7             | 954            | 265.4             |
| <b>30-40</b>   | 591                   | 8.0                 | 288.3                   | 7.2                 | 488                    | 729                   | 8.7                 | 1,072.3                 | 12.0                | 1,471                  | 138                     | 23.3              | 784.1                  | 272.0             | 983            | 201.6             |
| <b>40-50</b>   | 559                   | 7.5                 | 292.3                   | 7.3                 | 523                    | 605                   | 7.2                 | 874.5                   | 9.8                 | 1,446                  | 46                      | 8.3               | 582.2                  | 199.2             | 923            | 176.3             |
| <b>50-75</b>   | 1,294                 | 17.4                | 719.0                   | 17.9                | 556                    | 1,332                 | 15.9                | 1,764.6                 | 19.8                | 1,325                  | 38                      | 2.9               | 1,045.6                | 145.4             | 769            | 138.5             |
| <b>75-100</b>  | 1,111                 | 15.0                | 663.4                   | 16.5                | 597                    | 1,118                 | 13.3                | 1,115.7                 | 12.5                | 998                    | 7                       | 0.6               | 452.3                  | 68.2              | 401            | 67.1              |
| <b>100-200</b>   | 2,709                 | 36.5                | 1,504.0                 | 37.5                | 555                    | 2,716                 | 32.3                | 1,976.7                 | 22.1                | 728                    | 8                       | 0.3               | 472.8                  | 31.4              | 172            | 31.1              |
| <b>200-500</b>   | 613                   | 8.3                 | 348.3                   | 8.7                 | 568                    | 614                   | 7.3                 | 449.3                   | 5.0                 | 732                    | 0                       | 0.1               | 101.0                  | 29.0              | 164            | 28.9              |
| <b>500-1,000</b>   | 44                    | 0.6                 | 24.9                    | 0.6                 | 561                    | 45                    | 0.5                 | 33.5                    | 0.4                 | 748                    | 0                       | 0.8               | 8.6                    | 34.5              | 188            | 33.4              |
| <b>More than 1,000</b>   | 17                    | 0.2                 | 11.3                    | 0.3                 | 679                    | 17                    | 0.2                 | 15.0                    | 0.2                 | 903                    | 0                       | 0.0               | 3.7                    | 33.0              | 224            | 33.0              |
| <b>All</b>   | <b>7,421</b>          | <b>100.0</b>        | <b>4,014.6</b>          | <b>100.0</b>        | <b>541</b>             | <b>8,405</b>          | <b>100.0</b>        | <b>8,940.2</b>          | <b>100.0</b>        | <b>1,064</b>           | <b>984</b>              | <b>13.3</b>       | <b>4,925.6</b>         | <b>122.7</b>      | <b>523</b>     | <b>96.6</b>       |

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0613-1b).

(1) Calendar year. Proposal makes CDCTC fully refundable; indexes the phasedown threshold and maximum expense limits for inflation after 2014; increases expense limit to \$5,000 for one qualifying individual and \$10,000 for two or more qualified individuals; and increases the maximum credit rate to 50 percent. The credit rate would phase down by one percentage point for each \$1,000 (or fraction thereof) that AGI exceeds the phasedown threshold of \$35,000. The minimum credit rate would be 20 percent. Estimates assume a 50 percent participation rate for newly eligible tax units.

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) Includes both filing and non-filing units. Tax units that are dependents of other taxpayers are excluded from the analysis.